

Frank H. Murkowski, Governor



Alaska State Trade Representative Office in Seoul Korea

Suite 303, Seoul Center Bldg, 91-1, Sokong-dong, Chung-gu, Seoul, Korea, 100-070

Tel: 82-2-771-8234/5 Fax: 82-2-771-8236

E-mail: soakor@kornet.net Website: www.alaska.or.kr

Biweekly Narrative Seafood Report (No: 6 -2003): Korea

Prepared by Alaska State Trade Representative in Korea

March 27, 2003

1. Korean Economy Update

CEOs Call Economic Situation Serious: Korea CEO Forum, a organization for management innovation, announced Wednesday that its recent survey of 61 CEOs at major Korean firms indicated that 55 percent of the CEOs said the Korean economy this year would grow by only 3 percent. Sixty percent said that the current economy is in a "very serious situation."

The survey showed that 13 percent of the CEOs thought that the economy had entered a critical phase. Forty-six percent of the CEOs also said that due to the economic slump, they plan on restructuring measures, including manpower trimming, while 60 percent said that their firm would put all of their new investment plans on hold or overhaul them according to market developments.

(Source: March 26, 2003, the Chosun Daily, Korea)

Think tanks downbeat about postwar economy: A quick and decisive end to the war in Iraq may not lead to an immediate rebound of the Korean economy, local think tanks warned yesterday, guarding against budding post-war optimism.

The Korea Development Institute (KDI), the Samsung Economic Research Institute (SERI), the Korean Economic Research Institute (KERI) and two other leading think tanks said that despite a possibly early ending of the war, the North Korean nuclear standoff and domestic labor disputes still pose serious obstacles to the nation's economic recovery.

Further deterioration of North Korea's economy and additional local labor confrontations could scare away foreign investors and lower the nation's economic growth rate as low as 3 percent this year, said senior economists at the five institutes. In particular, they expressed fears that President Roh Moo-hyun government's labor-friendly policies will likely antagonize foreign investors, as well as local employers.

SERI also warned that an annual economic growth rate of 4 percent may not be attainable this year, as long as the specter of North Korean concerns loom over the Peninsula, and further dampen the possibility of a recovery in consumption and investment. "Due to the North Korea factor, the current economic situation is far worse than in the 1997 economic crisis," said a Samsung economist, calling for the government's stimulus measures.

Huh Chan-kook, a senior economist at the KERI, also warned about possible surge in oil prices, saying that a number of factors, including the Iraqi war and a walkout crisis in Venezuela, could prevent oil prices from falling below \$20 a barrel.

Economists at the Hyundai Research Institute said that policy consistency by the Roh government would be vital to the continued inflow of foreign investments, while the LG Economic Research Institute cautioned that this year's economic growth would tumble to the 3 percent level.

2. Fisheries News in Korea



Copyright Doosan Encyber.

The Ministry of Maritime Affairs and Fisheries (MOMAF) said yesterday that it has raised fees for cargo loading and unloading at ports nationwide by 5%.

The ministry said that the 5 percent hike was less than the original 6.3 percent proposed increase, which was done in consideration of the general economic malaise and price levels

(Source: March 17, 2003, the Ministry of Marine Affairs & Fisheries, Korea)

Export Damage from War Tops \$50 Million : Setbacks reported by local exporters have mushroomed to \$52 million so far as of yesterday afternoon, raising serious concerns regarding the nation's profitability in exports, the Korea International Trade Association (KITA) said yesterday.



In the fourth day of the U.S.-led military strike on Iraq, Korea posted \$52 million in export losses from a total of 330 incidences. A total of 171 export negotiations worth \$38 million were suspended, while other cases involved suspension in shipments and cargo handling at ports and a delay in collecting payments.

The largest number of export losses was reported from exporters with trade destinations located in Iran, followed by Jordan, Kuwait, Egypt and Iran, KITA officials said. Most halts in export negotiations were a result in disagreements over which side - exporter or buyer - would pay for additional charges such as delivery, war-insurance premiums and other increased logistical costs, they explained.

From April 1, the shipping charge for the cargo bound for the Middle East will jump to \$1,000 per TEU (20-foot equivalent unit) from the current \$850. The bunker surcharge, or bunker adjustment factor (BAF), will rise from \$50 to \$70 per TEU next month. Additional war-insurance premiums, in the meantime, has risen by 500 percentage points to 0.25 percent this month, instead of the 0.05 percent of premium set last month.

(Source: March 25, 2003, KITA)

3. The Update on Wholesale Fisheries Market in Korea

Noryangjin Wholesale Fisheries Market: Mar. 12 – 18, 2003

Mullet, which is in season, was supplied to the market in large quantities.

- **Live Mullet:** Daily Supply – 4 tons
 Price – W 3,100/kg for medium (US \$1.13 /lb),
 W 300/kg (US \$.11/lb) down from the previous week.
- **Live Small Halibut:** Price – W 22,300/kg for medium for wild (US \$8.15/lb)
 W 12,300/kg for medium for farmed (US \$4.49/lb)
 W 1,000 – 3,000/kg (US \$.37 – 1.1) down
 from the previous week
- **Fresh Snow Crab, Imported from Russia:**
 Daily Supply – 5 tons
 Price – W 13,000/kg for high (US \$4.75 /lb.)
- **Live Blue Crab:**
 Price – W 28,000/kg, medium, local (US \$10.23/lb)
 W 22,000/kg, medium, China (US \$8.04/lb)

Garak-dong Wholesale Fisheries Market: Mar. 11 – 17, 2003



The prices for popular species went up.

• ***Fresh Mackerel, local:***

Price - ₩ 50,000/10-kg-box, medium (US \$1.83 /lb), 36% up

• ***Fresh hair tail:***

Price - ₩ 71,000/5-kg-box, medium (US\$ 5.19/lb) for local

₩ 30,000/6-kg-box, medium (US\$ 1.83/lb) for imported from China

• ***Fresh Oyster:***

Price – ₩ 2,850 per kg for medium (US \$1.04/lb)

(Source: March 24, 2003, the Korea Fisheries Times, Korea)